

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6174**

**BILL NUMBER: SB 79**

**DATE PREPARED:** Jan 16, 2002

**BILL AMENDED:** Jan 15, 2002

**SUBJECT:** Septic System Disclosure in Residential Sale.

**FISCAL ANALYST:** Valerie Ruda

**PHONE NUMBER:** 232-9867

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill imposes a duty on the owner of residential real estate, through the Indiana Real Estate Commission's sales disclosure form, to make a disclosure if the owner knows that: (1) substantial alterations or additions have been made to a residence that would require expansion of its sewage disposal system, and (2) that the expansion has not been completed.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** *Background:* State form 46234, the seller's residential real estate sales disclosure form, is required to be filled out and signed by the seller of residential real estate in the event of the sale, exchange of, installment sales contract for, or a lease with option to buy residential real estate that contains no more than four residential dwelling units.

The Indiana Professional Licensing Agency (PLA) would be required to modify state form 46234 in order to reflect the changes specified by the bill. Given that the form is available electronically for downloading from the Indiana Real Estate Commission's website, expenditures required to modify form 46234 should be absorbable within the Indiana PLA's budget.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Professional Licensing Agency, Indiana Real Estate Commission.

**Local Agencies Affected:**

**Information Sources:** Indiana Professional Licensing Agency.